

**STATE RISK MANAGEMENT FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2007**

	December-07				September-07				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Quarter	Market Value	Allocation	Policy	Quarter	FYTD	FY07	Ended	Ended
		Actual		Net ROR		Actual		Net ROR	Net	Net	6/30/2007	6/30/2007
											Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>												
<i>Structured Growth</i>												
Los Angeles Capital	119,624	3.2%	3.4%	-1.50%	127,501	3.4%	3.4%	0.38%	-1.12%	21.84%	13.35%	N/A
<b>Total Structured Growth</b>	<b>119,624</b>	<b>3.2%</b>	<b>3.4%</b>	<b>-1.50%</b>	<b>127,501</b>	<b>3.4%</b>	<b>3.4%</b>	<b>0.38%</b>	<b>-1.12%</b>	<b>21.84%</b>	<b>13.35%</b>	<b>10.94%</b>
Russell 1000 Growth				-0.77%				4.21%	3.41%	19.04%	8.70%	9.28%
<i>Structured Value</i>												
LSV	117,021	3.1%	3.4%	-5.53%	124,303	3.3%	3.4%	-0.89%	-6.37%	23.77%	19.00%	16.55%
Russell 1000 Value				-5.80%				-0.24%	-6.03%	21.87%	15.93%	13.31%
<i>Russell 1000 Enhanced Index</i>												
LA Capital	237,944	6.4%	6.8%	-1.07%	253,828	6.8%	6.8%	0.24%	-0.83%	21.27%	13.46%	N/A
Russell 1000				-3.23%				1.98%	-1.31%	20.43%	12.34%	
<i>S&amp;P 500 Enhanced Index</i>												
Westridge	266,676	7.1%	6.8%	-3.04%	281,306	7.5%	6.8%	2.18%	-0.93%	21.12%	11.98%	N/A
S&P 500				-3.33%				2.03%	-1.37%	20.59%	11.68%	
<i>Index</i>												
State Street	72,386			-6.37%	77,081			-0.80%	-7.11%	21.82%	12.34%	11.08%
<b>Total 130/30</b>	<b>72,386</b>	<b>1.9%</b>	<b>2.3%</b>	<b>-6.37%</b>	<b>77,081</b>	<b>2.1%</b>	<b>2.3%</b>	<b>-0.80%</b>	<b>-7.11%</b>	<b>21.82%</b>	<b>12.34%</b>	<b>11.08%</b>
S&P 500				-3.33%				2.03%	-1.37%	20.59%	11.68%	10.71%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>813,651</b>	<b>21.7%</b>	<b>22.5%</b>	<b>-2.89%</b>	<b>864,019</b>	<b>23.1%</b>	<b>22.5%</b>	<b>0.62%</b>	<b>-2.29%</b>	<b>21.86%</b>	<b>13.76%</b>	<b>12.22%</b>
S&P 500				-3.33%				2.03%	-1.37%	20.59%	11.68%	10.71%
<b>SMALL CAP DOMESTIC EQUITY</b>												
<i>Manager-of-Managers</i>												
SEI	134,084	3.6%	3.8%	-6.35%	143,023	3.8%	3.8%	-3.66%	-9.78%	18.39%	13.70%	14.37%
Russell 2000 + 200bp				-4.09%				-2.60%	-6.59%	18.76%	15.72%	16.16%
<i>Enhanced</i>												
Research Affiliates	127,077	3.4%	3.8%	-7.00%	136,366	3.6%	3.8%	N/A	N/A	N/A	N/A	N/A
Russell 2000				-4.58%				-3.09%	-7.53%			
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>261,161</b>	<b>7.0%</b>	<b>7.5%</b>	<b>-6.67%</b>	<b>279,389</b>	<b>7.5%</b>	<b>7.5%</b>	<b>-4.98%</b>	<b>-11.32%</b>	<b>18.39%</b>	<b>13.70%</b>	<b>14.37%</b>
Russell 2000				-4.58%				-3.09%	-7.53%	16.44%	13.45%	13.88%
<b>DOMESTIC FIXED INCOME</b>												
<i>Core Bond</i>												
Western Asset	744,746	19.9%	20.2%	1.63%	728,665	19.5%	20.2%	1.87%	3.53%	7.29%	4.44%	5.64%
Lehman Aggregate				3.00%				2.84%	5.93%	6.12%	3.98%	4.48%
<i>Mortgage Backed</i>												
Hyperion	199,213	5.3%	5.2%	-1.00%	198,326	5.3%	5.2%	-1.78%	-2.76%	N/A	N/A	N/A
Lehman Global Aggregate (US Securitized Portion)				3.15%				3.88%	7.15%			
<i>Core Plus/Enhanced</i>												
Clifton Group	217,107	5.8%	5.2%	3.99%	205,732	5.5%	5.2%	4.41%	8.58%	5.52%	N/A	N/A
Prudential	208,162	5.6%	5.2%	2.45%	200,267	5.4%	5.2%	1.95%	4.45%	N/A	N/A	N/A
<b>Total Core Plus/Enhanced</b>	<b>425,269</b>	<b>11.4%</b>	<b>10.4%</b>	<b>3.23%</b>	<b>405,999</b>	<b>10.9%</b>	<b>10.4%</b>	<b>3.18%</b>	<b>6.52%</b>	<b>5.95%</b>	<b>N/A</b>	<b>N/A</b>
Lehman Aggregate				3.00%				2.84%	5.93%	6.12%		
<i>Index</i>												
Bank of ND	372,558	9.9%	9.1%	3.04%	362,719	9.7%	9.1%	3.09%	6.23%	5.45%	2.92%	4.32%
Lehman Gov/Credit (1)				3.10%				3.01%	6.20%	6.00%	3.04%	4.35%
<i>BBB Average Quality</i>												
Wells Capital (formerly Strong)	738,321	19.7%	20.2%	1.98%	718,998	19.2%	20.2%	1.48%	3.49%	7.93%	4.86%	6.59%
Lehman US Credit BAA				1.90%				1.67%	3.60%	7.54%	4.47%	6.59%
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>2,480,107</b>	<b>66.2%</b>	<b>65.0%</b>	<b>2.00%</b>	<b>2,414,708</b>	<b>64.5%</b>	<b>65.0%</b>	<b>1.84%</b>	<b>3.88%</b>	<b>7.11%</b>	<b>3.89%</b>	<b>5.04%</b>
Lehman Aggregate (2)				3.00%				2.84%	5.93%	6.12%	4.13%	4.87%
<b>CASH EQUIVALENTS</b>												
Bank of ND	190,628	5.1%	5.0%	0.96%	183,769	4.9%	5.0%	1.24%	2.21%	5.36%	4.10%	3.00%
90 Day T-Bill				1.05%				1.34%	2.40%	5.21%	3.78%	2.76%
<b>TOTAL RISK MANAGEMENT FUND</b>	<b>3,745,547</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.22%</b>	<b>3,741,884</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.04%</b>	<b>1.26%</b>	<b>11.20%</b>	<b>6.46%</b>	<b>7.26%</b>
<b>POLICY TARGET BENCHMARK</b>				<b>0.92%</b>				<b>2.17%</b>	<b>3.10%</b>	<b>10.02%</b>	<b>6.27%</b>	<b>6.80%</b>

**NOTE: Monthly returns and market values are preliminary and subject to change.**

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.